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8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
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12 **SECURITIES AND EXCHANGE**
13 **COMMISSION,**

14 **Plaintiff,**

15 **vs.**

16 **ADAM E. LEVIN,**

17 **Defendant.**
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Case No. 2:23-cv-08081

**CONSENT TO ENTRY OF FINAL
JUDGMENT BY ADAM E. LEVIN**

CONSENT

1 1. Defendant Adam E. Levin (“Defendant”) waives service of a summons
2 and the complaint in this action, enters a general appearance, and admits the Court’s
3 jurisdiction over Defendant and over the subject matter of this action.

4 2. Without admitting or denying the allegations of the complaint (except as
5 to personal and subject matter jurisdiction, which Defendant admits), Defendant
6 hereby consents to the entry of the final Judgment in the form attached hereto (the
7 “Final Judgment”) and incorporated by reference herein, which, among other things:

8 (a) permanently restrains and enjoins Defendant from violations of
9 Sections 5 and 17(a) of the Securities Act of 1933 (“Securities
10 Act”) [15 U.S.C. §§ 77e, 77q(a), and 77q(b)] and Section 10(b)
11 [15 U.S.C. §78j(b)] of the Securities Exchange Act of 1934
12 (“Exchange Act”) and Rule 10b-5 thereunder [17 C.F.R.
13 § 240.10b-5];

14 (c) orders Defendant to pay a civil penalty in the amount of \$111,614
15 under Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and
16 Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]; and

17 (d) prohibits Defendant, for three (3) years following the entry of the
18 Final Judgment, from acting as an officer or director of any issuer
19 that has a class of securities registered pursuant to Section 12 of
20 the Exchange Act [15 U.S.C. § 78l], or that is required to file
21 reports pursuant to Section 15(d) of the Exchange Act [15 U.S.C.
22 § 78o(d)].

23 3. Defendant acknowledges that the civil penalty paid pursuant to the Final
24 Judgment may be distributed pursuant to the Fair Fund provisions of Section 308(a)
25 of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund
26 distribution is made, the civil penalty shall be treated as a penalty paid to the
27 government for all purposes, including all tax purposes. To preserve the deterrent
28 effect of the civil penalty, Defendant agrees that he shall not, after offset or reduction

1 of any award of compensatory damages in any Related Investor Action based on
2 Defendant's payment of disgorgement in this action, argue that he is entitled to, nor
3 shall he further benefit by, offset or reduction of such compensatory damages award
4 by the amount of any part of Defendant's payment of a civil penalty in this action
5 ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty
6 Offset, Defendant agrees that he, shall, within 30 days after entry of a final order
7 granting the Penalty Offset, notify the Commission's counsel in this action and pay
8 the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as
9 the Commission directs. Such a payment shall not be deemed an additional civil
10 penalty and shall not be deemed to change the amount of the civil penalty imposed in
11 this action. For purposes of this paragraph, a "Related Investor Action" means a
12 private damages action brought against Defendant by or on behalf of one or more
13 investors based on substantially the same facts as alleged in the Complaint in this
14 action.

15 4. Defendant agrees that he shall not seek or accept, directly or indirectly,
16 reimbursement or indemnification from any source, including but not limited to
17 payment made pursuant to any insurance policy, with regard to any civil penalty
18 amounts that Defendant pays pursuant to the Final Judgment, regardless of whether
19 such penalty amounts or any part thereof are added to a distribution fund or otherwise
20 used for the benefit of investors. Defendant further agrees that he shall not claim,
21 assert, or apply for a tax deduction or tax credit with regard to any federal, state, or
22 local tax for any penalty amounts that Defendant pays pursuant to the Final
23 Judgment, regardless of whether such penalty amounts or any part thereof are added
24 to a distribution fund or otherwise used for the benefit of investors.

25 5. Defendant waives the entry of findings of fact and conclusions of law
26 pursuant to Rule 52 of the Federal Rules of Civil Procedure.

27 6. Defendant waives the right, if any, to a jury trial and to appeal from the
28 entry of the Final Judgment.

CONSENT

1 7. Defendant enters into this Consent voluntarily and represents that no
2 threats, offers, promises, or inducements of any kind have been made by the
3 Commission or any member, officer, employee, agent, or representative of the
4 Commission to induce Defendant to enter into this Consent.

5 8. Defendant agrees that this Consent shall be incorporated into the Final
6 Judgment with the same force and effect as if fully set forth therein.

7 9. Defendant will not oppose the enforcement of the Final Judgment on the
8 ground, if any exists, that it fails to comply with Rule 65(d) of the Federal Rules of
9 Civil Procedure, and hereby waives any objection based thereon.

10 10. Defendant waives service of the Final Judgment and agrees that entry of
11 the Final Judgment by the Court and filing with the Clerk of the Court will constitute
12 notice to Defendant of its terms and conditions. Defendant further agrees to provide
13 counsel for the Commission, within thirty days after the Final Judgment is filed with
14 the Clerk of the Court, with an affidavit or declaration stating that Defendant has
15 received and read a copy of the Final Judgment.

16 11. Consistent with 17 C.F.R. 202.5(f), this Consent resolves only the claims
17 asserted against Defendant in this civil proceeding. Defendant acknowledges that no
18 promise or representation has been made by the Commission or any member, officer,
19 employee, agent, or representative of the Commission with regard to any criminal
20 liability that may have arisen or may arise from the facts underlying this action or
21 immunity from any such criminal liability. Defendant waives any claim of Double
22 Jeopardy based upon the settlement of this proceeding, including the imposition of
23 any remedy or civil penalty herein. Defendant further acknowledges that the Court's
24 entry of a permanent injunction may have collateral consequences under federal or
25 state law and the rules and regulations of self-regulatory organizations, licensing
26 boards, and other regulatory organizations. Such collateral consequences include, but
27 are not limited to, a statutory disqualification with respect to membership or
28 participation in, or association with a member of, a self-regulatory organization. This

1 statutory disqualification has consequences that are separate from any sanction
2 imposed in an administrative proceeding. In addition, in any disciplinary proceeding
3 before the Commission based on the entry of the injunction in this action, Defendant
4 understands that he shall not be permitted to contest the factual allegations of the
5 complaint in this action.

6 12. Defendant understands and agrees to comply with the terms of 17 C.F.R.
7 § 202.5(e), which provides in part that it is the Commission's policy "not to permit a
8 defendant or respondent to consent to a judgment or order that imposes a sanction
9 while denying the allegations in the complaint or order for proceedings," and "a
10 refusal to admit the allegations is equivalent to a denial, unless the defendant or
11 respondent states that he neither admits nor denies the allegations." As part of
12 Defendant's agreement to comply with the terms of Section 202.5(e), Defendant: (i)
13 will not take any action or make or permit to be made any public statement denying,
14 directly or indirectly, any allegation in the complaint or creating the impression that
15 the complaint is without factual basis; (ii) will not make or permit to be made any
16 public statement to the effect that Defendant does not admit the allegations of the
17 complaint, or that this Consent contains no admission of the allegations, without also
18 stating that Defendant does not deny the allegations; and (iii) upon the filing of this
19 Consent, Defendant hereby withdraws any papers filed in this action to the extent that
20 they deny any allegation in the complaint. If Defendant breaches this agreement, the
21 Commission may petition the Court to vacate the Final Judgment and restore this
22 action to its active docket. Nothing in this paragraph affects Defendant's: (i)
23 testimonial obligations; or (ii) right to take legal or factual positions in litigation or
24 other legal proceedings in which the Commission is not a party.

25 13. Defendant hereby waives any rights under the Equal Access to Justice
26 Act, the Small Business Regulatory Enforcement Fairness Act of 1996, or any other
27 provision of law to seek from the United States, or any agency, or any official of the
28 United States acting in his or her official capacity, directly or indirectly,

CONSENT

1 reimbursement of attorney's fees or other fees, expenses, or costs expended by
 2 Defendant to defend against this action. For these purposes, Defendant agrees that
 3 Defendant is not the prevailing party in this action since the parties have reached a
 4 good faith settlement.

5 14. In connection with this action and any related judicial or administrative
 6 proceeding or investigation commenced by the Commission or to which the
 7 Commission is a party, Defendant (i) agrees to appear and be interviewed by
 8 Commission staff at such times and places as the staff requests upon reasonable
 9 notice; (ii) will accept service by mail or facsimile transmission of notices or
 10 subpoenas issued by the Commission for documents or testimony at depositions,
 11 hearings, or trials, or in connection with any related investigation by Commission
 12 staff; (iii) appoints Defendant's undersigned attorney as agent to receive service of
 13 such notices and subpoenas; (iv) with respect to such notices and subpoenas, waives
 14 the territorial limits on service contained in Rule 45 of the Federal Rules of Civil
 15 Procedure and any applicable local rules, provided that the party requesting the
 16 testimony reimburses Defendant's travel, lodging, and subsistence expenses at the then-
 17 prevailing U.S. Government per diem rates; and (v) consents to personal jurisdiction
 18 over Defendant in any United States District Court for purposes of enforcing any
 19 such subpoena.

20 15. Defendant agrees that the Commission may present the Final Judgment
 21 to the Court for signature and entry without further notice.

22 16. Defendant agrees that this Court shall retain jurisdiction over this matter
 23 for the purpose of enforcing the terms of the Final Judgment.

24
 25 Dated: September 6th, 2023

Adam E Levin
 ADAM E. LEVIN

1 On September 6th, 2023, Adam E. Levin, a person known to me, personally
2 appeared before me and acknowledged executing the foregoing Consent.
3 This notarial act was performed: (check one) ☐ physical presence ☒ remote notarization.

4 **Natasha A Stromley**
5 **Electronic Notary Public**
6 **Commonwealth of Virginia**
7 **Registration No. 7678888**
8 **My Commission Expires: 09/30/2024**

Natasha A Stromley

Notary Public

Commission expires: 09/30/2024
Commission #: 7678888

Remotely notarized online using two-way audio-video communication.

9 Approved as to form:

10 *Keri Curtis Axel*

Keri Curtis Axel

Waymaker LLP

Counsel for Defendant

Adam E. Levin

CONSENT